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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
 AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEBSITE: <http://commerce.senate.gov>

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November 17, 2016

The Honorable Tom Wheeler
 Chairman
 Federal Communications Commission
 445 12th St., SW
 Washington, DC 20554

Dear Chairman Wheeler:

As Ranking Member of the U.S. Senate Committee on Commerce, Science, and Transportation, I write to request information about the Federal Communications Commission's practice of issuing monetary bonuses or performance awards to Senior Executive Service (SES) employees.

Under federal law, SES bonuses, which are intended "to encourage excellence in performance," must be "paid in a lump sum" and cannot be "more than 20 percent" of an SES employee's base salary.¹ On December 15, 2015, President Obama issued an executive order that raised an agency's aggregate spending cap on bonuses for SES, Senior Level (SL), and Senior Scientific or Professional (ST) employees to 7.5 percent.² I appreciate the important contributions made by SES employees throughout the federal government. At the same time, I want to ensure that agencies are using proper oversight and applying effective performance metrics when awarding bonuses. Therefore, I respectfully request the following:

1. For Fiscal Years (FY) 2015 and 2016, a list of all SES, SL, ST, or equivalent employees who received monetary awards.
2. For each employee identified above, provide:
 - a. employee name;
 - b. employee title;
 - c. employee's base annual pay; and
 - d. the amount, date, and type of each award.
3. For any SES, SL, ST, or equivalent employee who received monetary awards in FY 2015 or 2016 that totaled more than 20 percent of the employee's base annual salary, provide a detailed justification for each award.

¹ 5 U.S.C. § 5384.

² Exec. Order No. 13714, 80 Fed. Reg. 79223 (Dec. 15, 2015).

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4. A description of the agency's performance review process and rating scale. For ratings-based awards, include the employee's rating for the period on which the award was based.

Please provide this information as soon as possible. Thank you for your attention to this matter.

Sincerely,



BILL NELSON
Ranking Member

cc: The Honorable John Thune, Chairman



Federal Communications Commission
Washington, D.C. 20554

January 9, 2017

The Honorable Bill Nelson
United States Senate
716 Senate Hart Office Building
Washington, DC 20510

Dear Senator Nelson:

This letter is being sent in response to your inquiry requesting information regarding the Federal Communications Commission's (FCC or Commission) practice of issuing monetary bonuses or performance awards to Senior Executive Service (SES) employees. The FCC's Office of Managing Director is providing the responses below and accompanying attachment on behalf of the Chairman.

1. For Fiscal Years (FY) 2015 and 2016, a list of all SES, SL, ST, or equivalent employees who received monetary awards.

Response: This information is contained in the attachment. Please note that the FCC does not have any ST employees or "equivalent employees."

2. For each employee identified above, provide: a. employee name; b. employee title; c. employee's base annual pay; and d. the amount, date, and type of each award.

Response: This information is contained in the attachment.

3. For any SES, SL, ST, or equivalent employee who received monetary awards in FY 2015 or 2016 that totaled more than 20 percent of the employee's base annual pay, provide a detailed justification for each award.

Response: The FCC does not have any employees who meet this criteria.

4. A description of the agency's performance review process and rating scale. For ratings-based awards, include the employee's rating for the period on which the award was based.

Response: The enclosed list contains employee ratings for the period on which the awards were based, and the following paragraphs provide a description of the FCC's performance review process and rating scale.

At the FCC, SES members are covered under one performance management system and SL staff are covered under a separate system. As previously

mentioned, the agency does not have any ST employees. The SES Performance Management System adheres to Subchapter II of Chapter 43 of Title 5, United States Code and consists of a seven-step process. The appraisal cycle begins March 1 of each year and ends February 28 of the following year. The steps in the SES appraisal process are as follows:

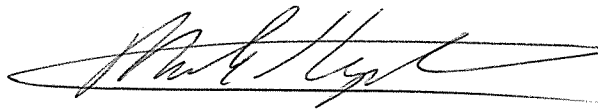
1. At the start of each annual cycle, the SES member and his/her supervisor establish and sign the Executive's Performance Plan, which details the specific performance requirements that must be attained. The requirements are grouped by the five Executive Core Qualifications (ECQs) established by OPM and are aligned with the FCC's Strategic Plan.
2. Each senior executive receives at least one progress review during the appraisal period.
3. At the end of the appraisal cycle, the SES member's supervisor provides to the Executive an initial rating for the Executive's performance on each of the five ECQs, as well as an overall rating that ranges from a low of Level 1 (Unsatisfactory) to a high of Level 5 (Distinguished). SES members can request a higher-level review if they do not agree with their overall rating.
4. The FCC's SES Performance Review Board (PRB) reviews and evaluates the initial performance appraisals and summary ratings for all Executives and makes written recommendations on annual summary ratings, performance awards, and performance-based pay adjustments for each Executive.
5. The PRB's recommendations are sent to the FCC's full Commission for approval.
6. Commission approved ratings, performance awards, and performance-based pay adjustments are communicated to each SES member.
7. The Executive and his/her supervisor sign the Executive's Performance Plan, acknowledging receipt of the final performance rating.

The FCC's SL staff are covered under the agency's Performance Management System for Non-SES Supervisors and Management Officials. The SL System adheres to the statutory and regulatory requirements contained in Chapter 43 of Title 5, United States Code, and Part 430 of Title 5 of the Code of Federal Regulations. The performance appraisal period for SL staff begins on October 1 of each year and extends through September 30 of the following year. The steps in the process are as follows:

1. At the start of each annual cycle, the SL employee and his/her supervisor establish and sign the employee's performance plan.
2. A formal mid-term progress review will normally be conducted in March of each year.
3. Within 30 days of the end of the appraisal period, SL staff receive an annual performance rating that ranges from U (Unacceptable) to O (Outstanding). Employees may request reconsideration of their rating.
4. "Unacceptable" and "Outstanding" ratings must be reviewed and approved by a reviewing official at a higher level than the employee's supervisor. Other ratings do not require such review and approval.
5. The SL employee and his/her supervisor discuss the annual performance rating and both sign the rating, acknowledging receipt.

We hope the information provided fully addresses your request. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark Stephens', with a long horizontal flourish extending to the right.

Mark Stephens
Managing Director
Office of the Managing Director

Enclosures